(b) the reasons for the constant decline of these issues;

(c) whether general public has lost complete faith in the stock market who has been cheated of their hard-earned money due to collision of SEBI, Brokers and Department of Company Affairs; and

(d) whether Government propose to have an in-depth study of the matter and find ways and means to get their money back and punish the defaulters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) The total number of equity issues, bond issues and other instruments floated in the market during the last three years *viz.* 2000-01, 2001-02 and 2002-03 are 151, 35 and 26 respectively.

(b) The decline in the number of issues could be attributed to Companys' unwillingness to access Capital Markets on account of slowdown of Indian and Global economy and availability of term loans from Banks/financial Institutions at a relatively low interest rate.

(c) and (d) No such apprehensions are noticeable as is evident from the participation of the investors in the primary issues of companies recently.

SEBI as a part of its regular activity addresses all investors' complaints. SEBI has been imposing monetary penalties against the companies which failed to redress investors' grievances. SEBI also initiates prosecution against those companies which fail to pay the said penalties.

Financial performance of Indian Airlines

896. DR. ALLADI P. RAJKUMAR: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether financial position of Indian Airlines has become weak;

(b) if so, the reasons therefor;

(c) the estimated loss of the Airlines in the first quarter of 2003-04; and

(d) the steps being taken to improve its finances?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI RAJIV PRATAP RUDI): (a) and (b) After earning continuous profit for three years from 1997-98 to 1999-2000, Indian Airlines started incurring losses from the year 2000-01 onwards primarily due to reasons beyond the control of the airline. The main reasons are as under:—

(i) Two successive hikes in Aviation Turbine Fuel (ATF) prices during the year 2000.

(ii) Increase in landing and navigational charges.

(iii) Increase in security related expenditure due to sky marshalling of flights, secondary frisking of passengers and baggage at boarding and ladder points etc.

(iv) Increase in aircraft maintenance expenditure.

(v) Increase in insurance premiums after the terrorists attack at Colombo Airport in July, 2001 and following the September 11, 2001 incidents in USA.

(c) The Company has incurred an estimated loss of Rs. 44.65 crores in the first quarter (April-June) of 2003-04.

(d) Indian Airlines has taken various measures and working out strategies, from time to time and on an on-going basis, to improve its financial performance. The steps taken in this regard mainly include the following:—

(i) Comprehensive budgetary control system: whereby actual performance is compared with budget estimates, shortfall analysis and corrective actions, wherever called for, is initiated on an on-going basis.

(ii) Cost-benefit analysis: before undertaking any major project/ investment.

(iii) Cost Control and Economy measures: Control on overtime, engagement of casual labour, Staff on Duty (SOD) travel, hotel, transport & other crew lay over expenditure, aircraft maintenance, freeze on recruitment unless absolutely necessary for operational

reasons, fuel monitoring and tankering, review of uneconomic flights, inventory management, outsourcing of services wherever feasible/economical.

Changes in Life Insurance Laws

897. SHRI MANOJ BHATTACHARYA: Will the Minister of FINANCE be pleased to state:

(a) whether the law Commission has called for sweeping changes in life insurance laws in the country;

(b) if so, the details thereof and Government's reaction thereto;

(c) whether necessary amendments are being brought forward in insurance laws in conformity with these recommendations; if so, by when; and

(d) whether the interest of the policy holders would be adequately protected in the new legislation and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) The Law Commission of India has informed that it has undertaken the study of "Revision of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority Act, 1999". The Commission has prepared a consultation paper on the subject and has circulated it to the concerned persons/ organisations to elicit their views on it. Thereafter, the Commission would finalise its recommendations and forward its report to the Goverment.

Routing of Funds Through State Governments

898. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that a recent decision of the Ministry of Finance for routing the funds through the State Governments instead of direct transfer of funds to the implementing agencies, would adversely affect the progress of schemes like 'Sampoorna Gramin Swarozgar Yojana,' Swajaldhara', 'Hariyali' etc; and

(b) if so, what advantages are likely to accrue by adopting this scheme and whether views of Ministries Like Health, Education and Rural Development were taken into consideration?